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**T.E.A.M. Entertainment, Inc. v. Douglas, et al.:
An Assessment of Lost Opportunities for
Deprivation of Credits**

Prepared for Doman Davis LLP by



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SUMMARY

I have been retained by the law firm representing T.E.A.M. Entertainment, Inc., (T.E.A.M.) to express an opinion on whether T.E.A.M. lost any significant music production opportunities because it did not receive the "customary producer's credit" and "special 'thank you' acknowledgment" on Ashanti Douglas's first three albums as promised in Paragraph 4 of the October 21, 1997 agreement between T.E.A.M. and Ashanti Productions.¹ And, if T.E.A.M. did lose such opportunities, I have been asked to render an opinion on the monetary value of those losses.

Based on my 26 years of experience in the music business working on projects for major labels as a producer and recording engineer and through my work analyzing major label contracts as a music business consultant and artists' rights advocate, I have concluded that T.E.A.M. did suffer losses as a result of not receiving the producer credit and special acknowledgment the value of which is in the area of several million dollars based on the assumptions below in the section titled "Assumptions."

The Value of a Credit

In the music industry, credits are not merely a name on a CD jacket. They are in a very real sense "currency."

Because decision-makers in the music industry rely heavily in making present employment decisions on past employment and because there are more individuals interested in working in the industry than there are opportunities, every credit awarded is an important addition to the recipient's track record, even if the music project was unsuccessful.

While many producers, songwriters and musicians forgo payment in the early parts of their careers, they will rarely tolerate the loss of a credit. In fact in many freshmen efforts, credit is all that is promised as compensation. And this promise is often sufficient compensation to attract quality talent to a project, provided, of course, the project has enough prestige surrounding it. Certainly a project with the promise of being distributed by a major label is "juice enough" to attract quality talent, let alone if that release featured an artist with the track record of Ashanti.

A recipient of a major label credit may use it to obtain future work, to negotiate higher compensation for future work or to obtain a more significant position in future work than he has received in the past. An example might be someone who engineered or mixed a record that became popular and now wishes to position themselves as a producer. If they were the producer then the

credit might give them the negotiating leverage to ask for their own label deal. This is in effect how new labels are created.

This should illustrate just how important and powerful a credit is. Its worth in dollars is another matter. Nonetheless, a credit can enhance the recipient's industry reputation, standing and future marketability. As a result of the immense importance of a credit, the deprivation of a credit to a would-be recipient can have dire, but measurable financial consequences.

Assumptions

Fees

If Genard Parker, as CEO and primary music producer for T.E.A.M., could have achieved the notoriety and credibility associated with producing master recordings on three Ashanti albums, he probably would have been able to command fees of between \$35,000 and \$50,000 per master recording (a master recording being equivalent to a single song or "cut" on an album.)

It would be reasonable to expect that he would be paid to produce an average of 30 master recordings per year from 2002 (the year the first Ashanti album was released) to the present.

$4 \times 30 = 120$ master recordings to date.

Using a median number between \$35,000 and \$50,000 of \$42,000 per master recording, we get the following result:

$120 \times \$42,000 = \$5,040,000$

This is just calculating production fees and does not take into consideration royalties that might have accrued from the exploitation of said recordings.

Publishing

Most R&B producers find themselves acting as co-writers for many of the masters they produce. Assuming that Mr. Parker had a normal career, he also would likely have attracted a Music Publishing concern who would have offered him substantial advances in exchange for the publishing rights to his portion of the copyrights on the songs he helped compose.

Publishing royalties for those master recordings would easily have ranged from several tens of thousands of dollars to, quite probably, the low six figures, each year. And none of this presumes that any of those master recordings would become a "hit record."

Had even one of those songs become a "hit" he would have enjoyed millions of dollars in revenue per year over about five years.

Lost Future Opportunities

Lawyers for T.E.A.M. provided me with its earnings for providing production services to various artists since its corporate inception in 1993 and ending in 2001, the year before Ashanti released her first album². The earnings were as follows for that 9-year span:

YEAR EARNINGS REPORTED	T.E.A.M.'S MUSIC PRODUCTION EARNINGS (\$) ³
1993	77,243.00
1994	26,882.00
1995	56,761.00
1996	4,243.00
1997	11,601.00
1998	17,199.00
1999	5,749.00
2000	11,305.00
2001	2,996.00
Subtotal	213,979.00
Average Earnings	23,775.00
Future Earnings to 2029	665,700.00

T.E.A.M.'s average earnings for that period of time before Ashanti released her first album on which T.E.A.M. would have received credit⁴ was \$23,775.00. A music producer, who is in good health, can continue to produce music well in to his 70s. A notable example of this is the renowned music producer Quincy Jones. However, I assume for purposes of this analysis that the principal producer and C.E.O. of T.E.A.M., Genard Parker, intended to continue producing music only until the earliest Social Security retirement age of 62 (or the Year 2029). In 2001, Parker was 34-years old and, thus, expected to continue producing music for another 28 years. If he, through T.E.A.M., continued to achieve average earnings throughout that time, T.E.A.M.'s future production earnings would be, at minimum, \$665,700.00, but quite probably ten times that number. This number actually is depressed since it does not adjust for what would be T.E.A.M.'s certainly increased earning power in terms of level of compensation and number of opportunities as a result of its expanded track record.

with credits and acknowledgments on three Ashanti albums, which have reached multiplatinum sales.

Miscellaneous

My professional biography is attached to my other report in this lawsuit which compares the Sony/Noontime relationship to Universal Music/Murder, Inc.'s.

In addition to the documents I identified as reviewing and/or relying on in connection with my other report, I reviewed and/or relied on T.E.A.M. earnings data supplied to me by its attorneys.

Moses Avalon

For The Moses Avalon Company

¹Paragraph 4 of the October 21, 1997 Agreement reads as follows:

You shall be accorded customary producer's credit as the producer of each Master produced by you hereunder on all liner notes, label copy and one-half (1/2) or larger page ads promoting the masters. We shall afford you a special "thank you" acknowledgement [sic] in the liner notes for each of the first three Noontime Albums on which you have produced any masters.

² I use 2001 as the last year of past earnings for T.E.A.M. because the release of the first Ashanti album (if T.E.A.M. had received its due credit and special acknowledgment) would have benefited T.E.A.M. immediately upon publication since it would have become part of T.E.A.M.'s track record.

³ I rely on the adjusted gross income reported by T.E.A.M. and provided to me by its counsel for the years 1993 to 2001.

⁴ I am informed by counsel for T.E.A.M. that T.E.A.M. provided Ashanti with master recordings for two songs on her first album, which were never published. If those songs had been released, T.E.A.M. surely would have received due credit.